COPY

MOEN BUILDERS, INC.

96 Prospect Mine Road
PO Box 33
Virginia City, MT 59755
E-MAIL: moen@moenbuildersinc.net

(406) 843-5342
(406) 843-5343 Fax
Marlene Moen, Owner
Web Site:www.moenbuilders.net

September 28, 2012

Robert Gunderson, Geologist
Bureau of Land Management
1005 Selway Drive
Dillon MT 59725

Dear Bob:

Following are responses to comments received from the BLM in correspondence dated September 21, 2012. Responses follow the same order as the comment letter. Appropriate changes have been made in the Plan of Operations which is attached.

General

- A date has been added to the plan below the title and the pages have been numbered.
- Moen Builders Inc. is the applicant.
- Appropriate changes have been made to the Plan of Operations.
- Separate headings have been created for weed control and public safety.
- The two recently set cadastral survey corners for patented mining claims/trespass cases that lie in and along the lower portion of the Pony Creek Road will not be disturbed.

Mexi 1

- The Mexi site will be reclaimed at the end of the project as stated in the Plan. If further evaluation determines that exploration drilling is warranted, an amended plan will be submitted.

- A slash filter windrow is a sediment barrier constructed of woody debris at the toe of a disturbed slope. It is an effective method to retain sediment on site. Please see the enclosed illustration from Idaho Dept of Forestry.
- As each dump is removed from the mine site, native soil will be exposed. This area would then be scarified across the slope with the teeth of the excavator bucket and broadcast seeded with the approved native grass seed mix.
- The disturbance width would be approximately 25 feet, assuming an angle of repose of 1.3h:1v. A conceptual cross section is enclosed.
- The maximum width at each switchback would be approximately 50 feet. A conceptual cross section is enclosed.

Crusher Site

- The crusher site has been relabeled as the crusher site.
- There will be two access/exit sites into the crusher area. The western turn in will be used as an entrance by both the highway trucks and the 6X6 haul truck. The highway trucks will exit by the eastern exit. The 6X6 will turn in and exit by the western exit. Since there will be only one haul truck in use, this will not create a traffic problem.
- The berm will be constructed about 130' from Pony Creek.
- The berm will be visible to crews working at the Crusher site and will be monitored daily during operations. Mr. Gene Nellis lives in Pony and will monitor the site during inactive periods during precipitation or snow melt events.
- If sediment begins to accumulate or if failure begins to occur, the sediment would be removed or the incipient failure would be repaired by the onsite loader, or if necessary, by equipment brought on site.
- The ditch was constructed by other operators and will not be disturbed. It will remain and continue to function as it has.
- Depending on the need, it may be assumed that the entire length of the Pony Creek Road may be graded at some time during the operation.

Public Safety

- During periods when trucks are hauling, "Truck Hauling" signs will be placed near the MW 46 dump, at the west end of Pony on the Pony Creek Road, at the east end of Pony on the Pony-Harrison road, and where the Charcoal Creek Road meets the Pony Creek Road.
- Moen Builders, Inc. does not have authority to post speed limit signs on the Pony Creek Road. However, the trucks hauling for Moen will be instructed to drive not faster than 15 mph on the Pony Creek Road and through the town of Pony.

- A yield sign will be placed at the access to the Crusher site.
- Closure and signage of the green gate and other patented property will be at the discretion of the property owners.
- There will be no hauling on weekends.
- The speed restrictions apply to highway legal trucks as well as the 6X6 articulated haul trucks. The number of daily trips by the 6X6 haul trucks will vary with the distance from each mine site to the crusher. Based on load capacity, it can be assumed that there would be approximately the same total number of trips with the 6X6 articulated haul trucks as with the highway legal dump trucks.

Existing Rights of Way

- Moen understands that use of the Pony Creek Road is subject to any valid existing rights granted under the right of way.
- The road will be graded as needed. It may be assumed that the condition of the road will be improved from that at present.
- Moen is aware that he will be liable for any damage to the fiber optic cable.

Roads

- This operation will not increase the risk of sediment entering area streams from that of the present condition. Grading near culverts and stream crossings will not push material over the road edge.
- The entire Pony Creek Road may be graded during operations.
- The Pony Creek road was built in the 1870's to accesses area mines, prior to statehood in 1889 and before State ownership of the State land Section 13. Therefore, the State of Montana does not claim jurisdiction of this road. (personal communication: Craig Campbell, DNRC, Bozeman Unit).
- The initial 200 feet from the MN 46 dump can be driven by the 6X6 haul trucks without modification. The remainder of the road needs to be widened to a running surface of 12 feet. The text has been revised to clarify this statement.
- The road segments through the BLM will be returned to the original width of 8-10 feet at closure per your requirements. The fill slope segments on patented land will be seeded upon construction and will remain with a 12 foot running surface.
- The road below the MN 46 claim is passable to a standard size veicle, and is driven on occasion, although with some risk to the vehicle. It is routinely driven by ATV's. Improving this road segment would not create a new access. The BLM portion of the road below MN 46 would be returned to its original condition.

Potential for bats at the Mexi 1

- Moen would fill the shaft at the Mexi 1 filled for safety reasons in coordination with the BLM, providing a tarp cover for a week as suggested.

Weeds

- The Crusher site and all of the access roads at lower elevations are infested with weeds to some extent. Moen will provide for herbicide application of these sites and roads and will pressure wash equipment before bringing them on site.

Sincerely:

Pete Strazdas

cc. Bob Cronholm, DEQ
Matt Moen, Moen Builders, Inc

Plan of Operations
Submitted in accordance with 43-CFR 3809
September 28, 2012

Moen Builders, Inc.
PO Box 33
Virginia City MT 59755
406-843-5342

[redacted]

Unpatented Mining Claims in this Project:

Serial Number	Name	Claimant
MMC226640	Mill #1	Marlene Moen
MMC221285	MN #46	Gene M Nellis
MMC215961	Mexi #1	Gene M Nellis

Moen Builders , Inc. (Moen) submits this Plan of Operations to remove approximately 1,500 tons of waste rock dump material from the Mexi 1 claim located in the SW ¼ SW ¼ Section 15: T2S R3W and approximately 2,000 tons of waste rock dump material from the MN 46 claim located in the NE ¼ NW ¼ Section 23: T2S R3W, Madison County.

A staging and crushing site would be established on the Mill #1 claim in the SW ¼ NE ¼ Section 13: T2S R3W. Ore form the Mexi 1 and the MN 46 claims, as well as from two other patented claims in the vicinity, the Pony and Mountain Cliff, would be stockpiled and crushed at this location. The Pony and Mountain Cliff are located in the NE ¼ NW ¼ Section 15 and the NE ¼ NE ¼ Section 16: T2S R3W, respectively.

Ore would be crushed and hauled to the Golden Sunlight mine near Whitehall, MT. A maximum of 3,000 tons might be stockpiled at any one time.

A general site map (in two sheets) and a map of each of the claims are enclosed with this submittal.

Site Description

Crusher Site

The Crusher Site is located beside an established road at an elevation of 5,820 feet. The site is a relatively flat area, vegetated with native and introduced species and moderately infested with weeds, particularly hounds tongue and spotted knapweed. The site is grazed. There is some junk and trash on the site that has accumulated over time.

Mexi 1

The Mexi 1 mine and waste rock dump is at an elevation of 7,070 ft. in dense timber on a northeast facing 55% slope. The mine is at the end of an old road. A second smaller dump is located approximately 300 ft upslope from the lower dump. Both dumps together occupy not more than 0.1 acre. There is no water on site. The dumps are unvegetated.

There is a caved stope at the upper dump with a dangerous hole, about 20 feet across. Moen would be willing to fill this hole to remove the real public hazard, by partially caving and filling the hole to remove the abrupt dropoff and creating an easy walk out pit.

MN 46

The MN 46 claim is at an elevation of 8,230 feet near the top of Queens hill ridge, on an east facing, 32% slope. The slope is relatively flat, mostly herbaceous, high elevation vegetation with only scattered timber. The dump occupies about 0.1 acre. There is no water on site. The dump is unvegetated.

Access

General

The principal access road along Pony Creek was built in the 1870's to provide access to area mines and has been in continual use since then. It crosses BLM, State and a number of patented claims. Owners of these patented claims will be notified that Moen will be using the established road to access their mining claims and haul to remove rock. Verbal permission has been obtained. Written permission will be solicited from the owners of the Pony mill site for use of the private road west of the Pony mill site.

There will be no winter operations, therefore snow removal will not be necessary. Early or late storms may delay work for a few days until roads return to operable condition.

Crusher Site

The mill site will be accessed by the Pony Creek Road, an established gravel road, approximately 4,800 feet west of Pony. This road is in a good all weather condition. It crosses various surface owners, including private, State and BLM. The Pony Creek Road may be graded for maintenance, but would not be widened or otherwise altered.

Mexi 1

The Mexi 1 claim will be accessed by approximately 16,000 feet of an established road that was built to facilitate shipment from the A & P mine to the Pony mill site. Most of this road traverses private land. A short (280') segment at the beginning, where it leaves the Pony Creek Road, and a short (560') segment at the end, crosses BLM land.

A new access road with a 12' running surface, about 850 feet in length would be constructed into the Mexi 1 from the Pony Mill Road. Cut and fill would disturb about 25'of width. This new road segment would join an existing old road that would be rehabilitated to a running width of 12 feet. The inside of

the road cut would be cleaned of sloughed material. A second new road segment, about 350 feet in length would access the upper dump from the lower dump. A short spur would be created at the upper switchback, which would allow trucks to change direction, by entering and backing either uphill or downhill. It is estimated that up to 15 trees with a 4-8" dbh may be removed from the access and used to crib the fill slope. Salvageable soil would be stockpiled along the upper portion of the new and rehabbed road. Timber slash would be used to create a slash filter windrow at the bottom of the fill.

MN 46

The MN 46 claim will be accessed by the Pony creek road, approximately 16,840 feet west of Pony, to the Boss Tweed mine, then approximately 4,650 feet along a rough road that accesses the MN 46 claim. The Pony Creek Road is an established gravel road that crosses private and BLM surface. It is in reasonably good condition but may need periodic grading during operations. The last segment is about 8-10 feet wide and will need to be widened to a 12 foot running surface. Approximately 2,730 feet is on private ownership and approximately 1,920 feet is on the BLM.

The western 200 feet of the access to the MN 46 claim on the BLM can be driven by the 6X6 articulated haul truck. The remainder of this road above the Boss Tweed mine, 1,720 feet, will need to be widened to provide a 12' running surface.

Patented Claims

The existing road that accesses the Pony mine crosses about 240' of BLM surface on a switchback as shown on the attached map.

Public Safety

During periods when trucks are hauling, "Truck Hauling" signs will be placed near the MW 46 dump, at the west end of Pony on the Pony Creek Road, at the east end of Pony on the Pony-Harrison road, and where the Charcoal Creek Road meets the Pony Creek Road.

Haul truck drivers will be instructed to drive not faster than 15 mph on the Pony Creek Road and through the town of Pony. Trucks entering the road from the Crusher Site will yield to traffic on the road.

There will be no hauling on weekends.

Plan of Operations

A crusher site would be constructed at the mill claim along the Pony Creek Road. It would occupy about 1 acre of ground as shown on the enclosed map. Soil would first be salvaged from the site to a depth of about 18" and stockpiled. A soil berm would be constructed along the south side to serve as a storm water retention berm which would deflect water storm flow into an existing ditch. Most of the soil would be stockpiled along the north side, uphill of the site, to facilitate reclamation. Two access roads

would be constructed off of the main Pony Creek Road with a 30 ft. turning radius to accommodate the highway legal belly dump trucks, allowing entry in the western access and exit on the eastern. A portable crusher would occupy the center of the area and two ore stockpiles would eventually be created. A loader would be staged on site to load the trucks and move the crushed rock to stockpiles.

The crusher will be portable and will have a State Air Quality permit if required by the MT DEQ. Generally, crushers with a capacity greater than 100 tph must be permitted.

Moen expects to remove approximately 3,500 tons of waste rock from old rock dumps at the Mexi 1 and MN 46 claims, 1,500 tons from the Mexi 1 and 2,000 tons from the MN 46. Dumps at both sites would be excavated with a 300 Hitachi tracked excavator with a 1 ½ CY bucket and loaded onto a 25 ton off road articulated haul truck.

Removal of the old waste rock material would provide the added benefit of removing potential heavy metal contaminants from public land. ICP analysis of the rock dumps will be provided to the agencies as soon as they are available.

The ore would be hauled to the mill site beside the Pony Creek Road where it would be stockpiled, crushed with a portable crusher and then hauled to the Golden Sunlight Mine (GSM) for processing. Once crushed, ore would be hauled to the GSM in highway legal belly dump trucks, hauling about 20 tons per load. It is anticipated that about 6-8 loads per day would go to the GSM.

Ore would also be brought in from two other sites on private land, the Mountain Cliff and the Pony. A total of about 9,000 tons of rock would be processed at this site. The Mountain Cliff is located in the NE ¼ NE ¼ of section 16 and the Pony is in the Ne ¼ NW ¼ of section 15: T2S R3W.

Up to two belly dump trucks would be used to haul the ore to the Golden Sunlight mine. Each truck may make 3 – 4 trips per day, for a total of 6 – 8 truck trips. Trucks would travel at not more than 15 mph on the Pony Creek Road and through Pony. The low speed would minimize the amount of road dust created. If road dust becomes a nuisance, Magnesium chloride or similar product will be applied to the road from the Crusher Site and through Pony.

Hauling would be limited to daylight hours during the work week. Trucks would not use engine brakes while travelling through Pony.

The following equipment will be used on the project:

- 300 Hitachi tracked excavator with a 1 ½ CY bucket
- Wheeled loader
- Road grader
- 25 ton articulated off road haul truck

- 2 - 30 CY highway belly dump trucks
- Pickup trucks

Project Summary:

	BLM	PRIVATE
Mill Site	1 acre	
Mexi #1	0.1 acre	
	1,200' new road	
	400' rehab road	400' rehab road
	1,500 tons	
MN#46	0.1 acre	
	1,720' rehab road	2,730' rehab road
	2,000 tons	
Pony		0.1 acre
		2,500 tons
Mtn. Cliff		0.25 acre
		4,650' new road
		3,000 tons
Total	1.2 acres	0.35 acres
	1,200' new road	4,650' new road
	2,320' rehabilitated road	3,130' rehabilitated road
	3,500 tons	5,500 tons

Reclamation

As each dump is removed from the mine site, native soil would be exposed. This area would then be scarified across the slope with the teeth of the excavator bucket and broadcast seeded with the native grass seed mix shown below or other as stipulated by the BLM.

The new road segments constructed to access the Mexi 1 claim would be pulled back to original contour and similarly seeded.

The road segment accessing the MN 46 claim that crosses BLM would be returned to the original width of 8-10 feet, the segment crossing patented ground would not be returned to original contour, but the new cut and fill of the widened road would be seeded as soon as construction is completed.

Reclamation Seed Mix

Agropyron spicatum	bluebunch wheatgrass	9.5 lbs/acre
Festuca idahoensis	Idaho fescue	3.0
Agropyron trachycaulum	slender wheatgrass	5.5
Poa ampla	big bluegrass	0.5
Agropyron riparium	streambank wheatgrass	2.0
		20.5 lbs PLS/acre

Weed Control

The Crusher Site is infested with houndstongue and spotted knapweed as well as musk and Canada thistle. The private road accessing the Mexi 1 is heavily infested with these weeds, particularly musk thistle and spotted knapweed. These same weed species occur along the Pony Creek Road.

Moen will treat these weeds with herbicide during the period of operations. It is expected that treatment during the 2 – 3 year period will reduce the severity of infestation. Given the probability of some escape during each application and the seed bank in the soil, the treatment will not result in 100% control.

The MN 46 site is free of noxious weeds at this time and Moen will maintain this condition.

Excavating equipment and articulated haul trucks will be pressure washed before coming onto the project.

Schedule

It is anticipated that the project will require about two seasons for completion. Stripping soil and preparing the crusher site will start as early as ground conditions allow in the Spring of 2012. Road construction and rehabilitation to the mine sites would start immediately thereafter.

Mining, crushing and hauling will continue through 2013 and 2014.

Reclamation will be performed at each mine site as soon as dump removal is complete. Reclamation of the Mexi and crusher sites may be delayed until early 2015, if weather conditions delay final closure in the Fall of 2014.

Sequencing of operations will be as follow:

- Construction of the crusher site.
- Hauling from the Pony claim.
- Road repair and hauling from the MN 46 claim.

- Reclamation of the MN 46 claim.
- Road construction and hauling from the Mountain Cliff claim.
- Road construction and hauling from the Mexi 1 claim.
- Reclamation of the Mexi 1 claim dumps and roads.
- Reclamation of the crusher site.

Environmental Protection

The following measures will be taken to prevent undue degradation of natural resources:

- All heavy equipment will be pressure washed before accessing the sites.
- Noxious weeds will be sprayed along access roads and at mine sites.
- Except for the temporary screened ore stockpile, there will be no equipment or material storage on the BLM.
- There will be no permanent fuel tanks. Fuel and lubricants will be brought on site as needed in drums or tanks mounted in pickup trucks. Fuel service trucks will not be permanently on site.
- The excavator will have a spill containment kit on site.
- There will be no solid waste placed on the BLM. Solid waste will not be allowed to accumulate on the project.
- Al closure:
    - All equipment, material and trash will be removed from the site.
    - The sites will be scarified and seeded with a native seed mix.
    - New road segments will be returned to original contour and seeded.

Fire Protection

- All vehicles and equipment will be equipped with a shovel, bucket and fire extinguisher.
- Moen will abide by any closure or work restriction orders from the agencies with regard to fire conditions.

Site managers for the project will be Mr. Matt Moen and Mr. Gene Nellis.

Matt Moen, Owner

Sep 28, 2012
Date

V.7 Slash Filter Windrow

A slash filter windrow is a sediment barrier comprised of "windrowed" slash.

Purpose: Designed to catch and trap sediment coming off un-vegetated ground.

Application: Slash filter windrows are used to catch and retain sediment along road fill slopes at the toe of waste dumps, or adjacent to bare ground in steep terrain.

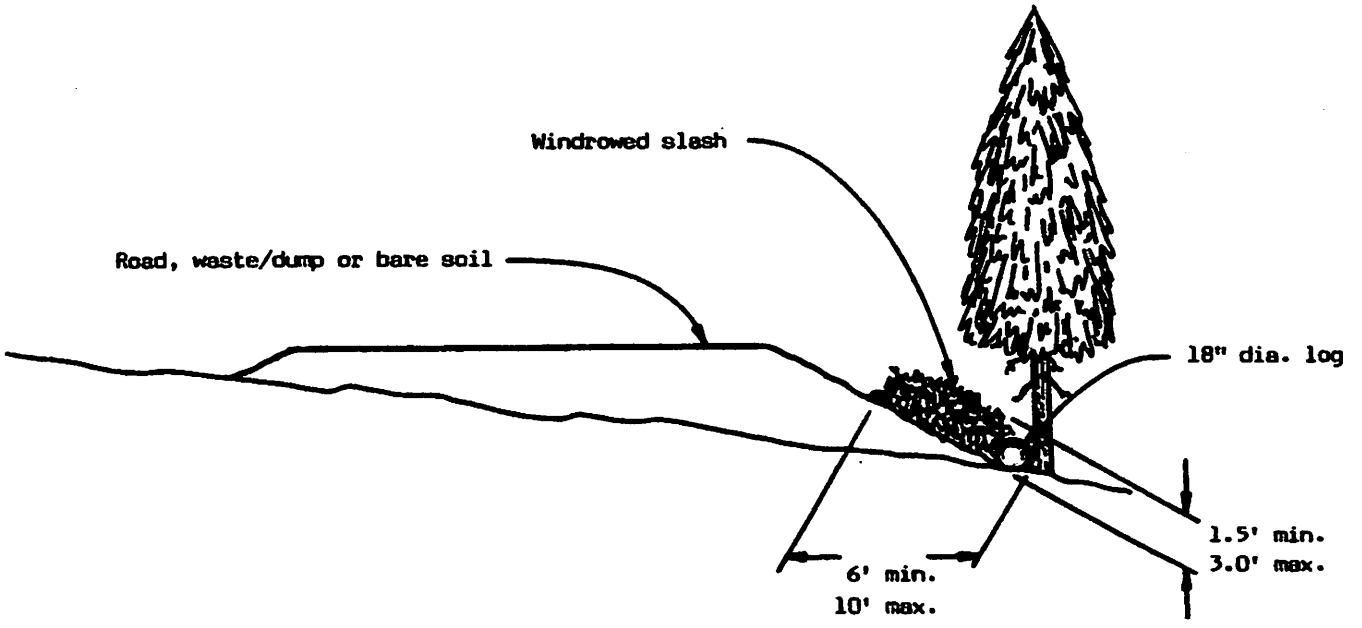
Specifications: (See Figure V-7)

1. When clearing an area of trees, stockpile the slash at designated sites so that it will be readily available for windrow construction.

2. Construct the windrow by removing a cull log of at least eighteen (18) inch diameter from the stockpile. Place it in a position at the toe of the fill or waste dump. The long dimension of the log should be parallel to the fill. Anchor the log in place against stumps, rocks, or other trees.

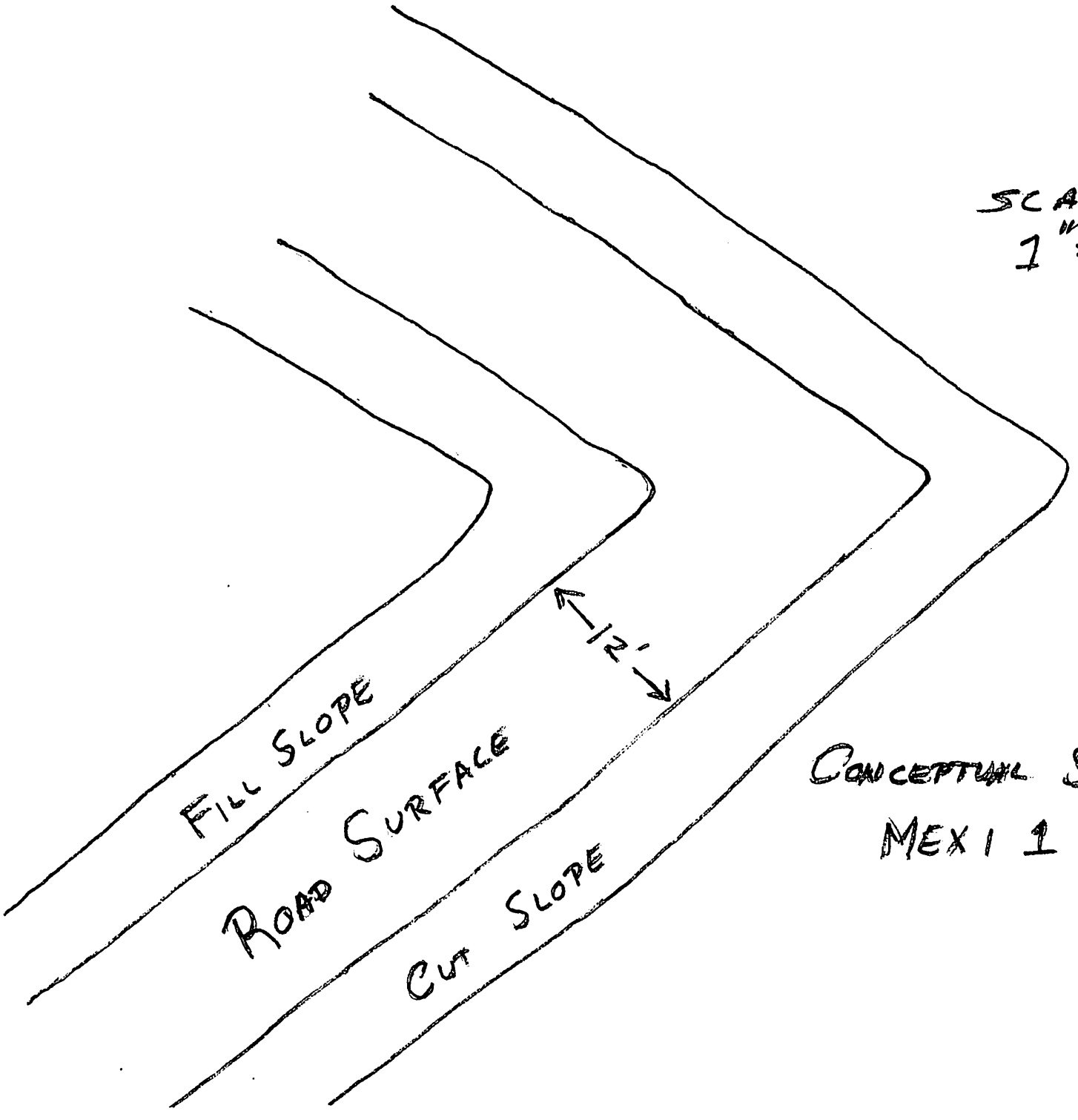
3. Stockpile slash on the fill slope, above the cut log. Compact the slash by tamping it in place with the bucket of the construction equipment you are using. Slash needs to be tamped in place so material will not flow under or through it.

Effectiveness: Slash filter windrows constructed below logging roads have proven to be from 75 to 85% effective in catching and retaining sediment.



SLASH FILTER WINDROW

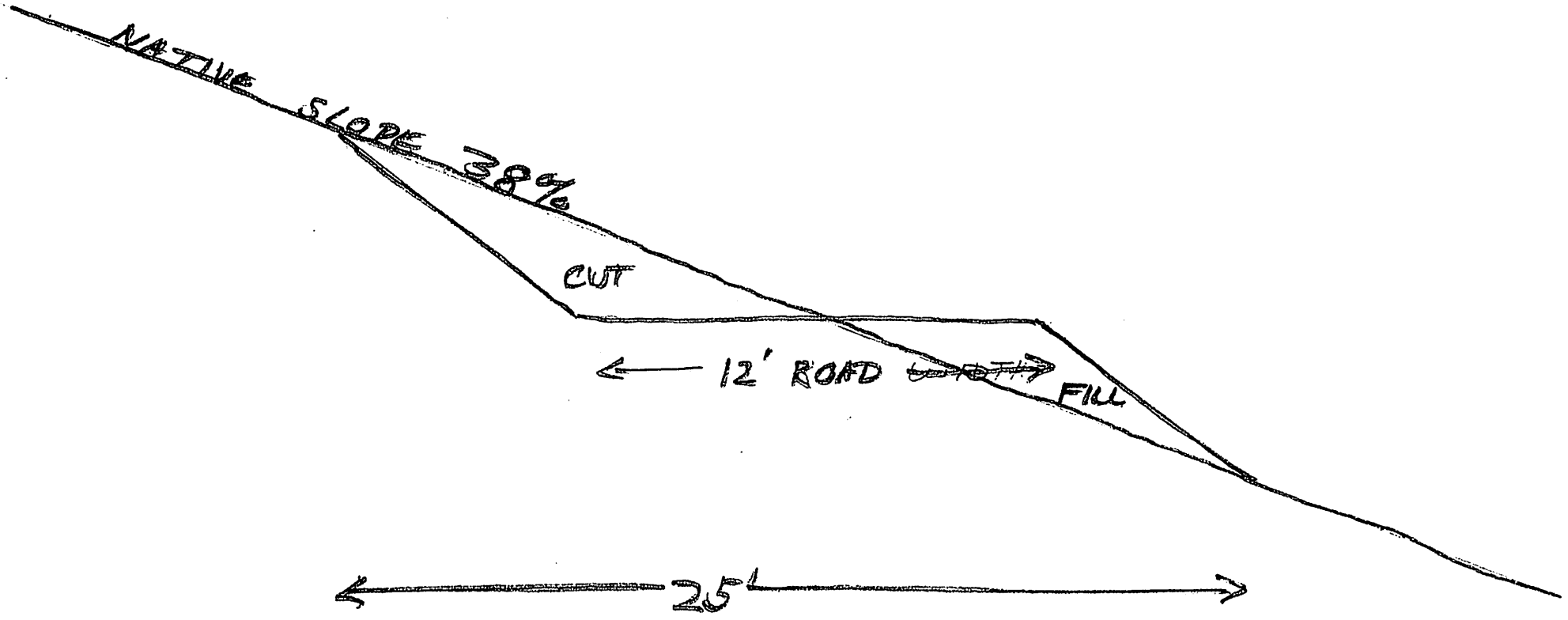
FIGURE V-7



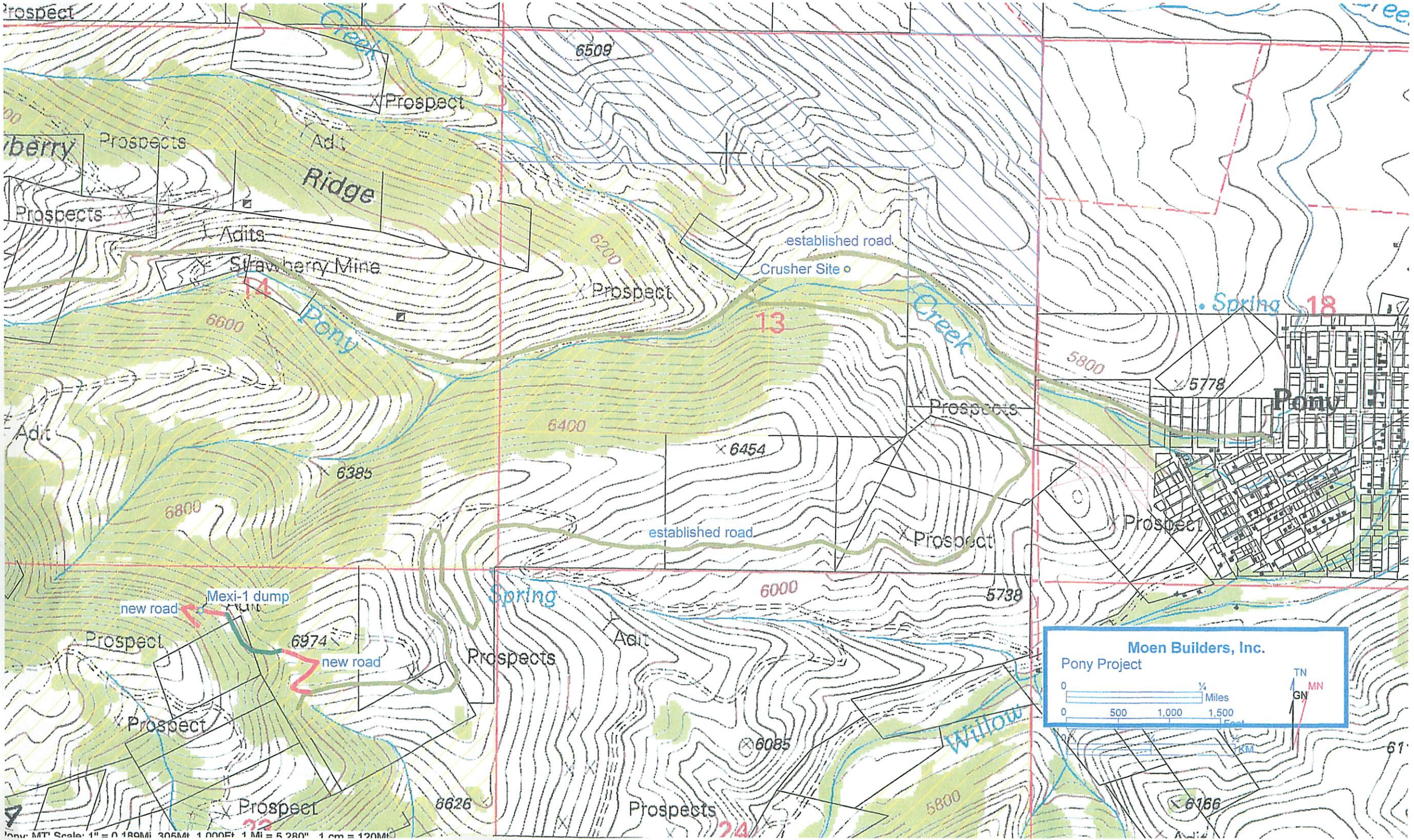
SCALE
1" = 10'

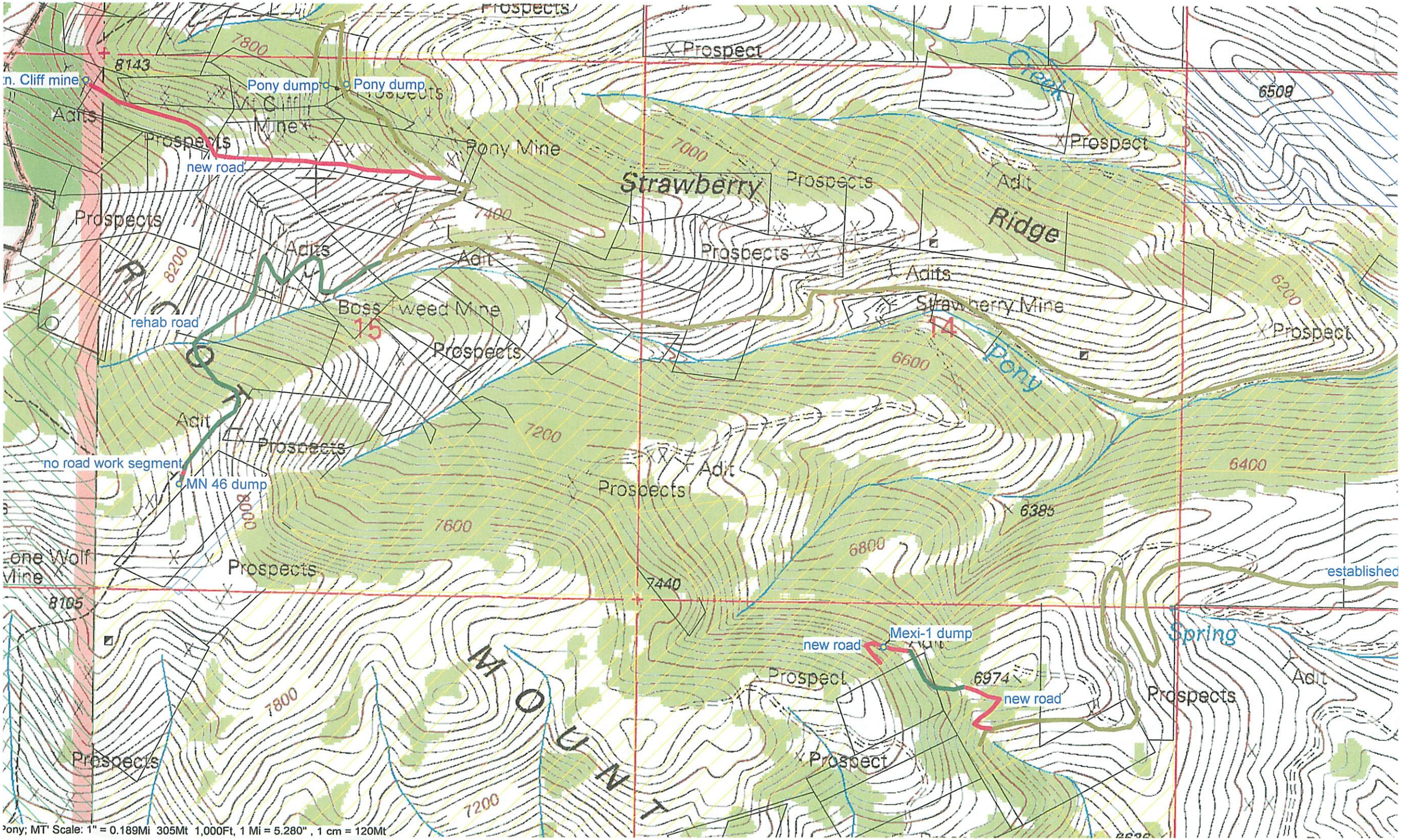
CONCEPTUAL SWITCH BACK
MEXICO

Conceptual X-Sec.
Mexi 1 Road



SCALE 1" = 4'


Prospect
Creek
6509
Prospect
Prospects
Adit
Ridge
Prospects
Adits
Strawberry Mine
established road
Crusher Site
6200
Prospect
14
Pony
13
Creek
Spring
18
6600
5800
5778
Pony
Prospects
Adit
6400
6454
6385
6800
Prospect
established road
Prospect
Mexi-1 dump
new road
Spring
6000
5739
Adit
Prospect
6974
new road
Prospects
Moen Builders, Inc.
Pony Project
TN
MN
GN
0
¼
Miles
0
500
1,000
1,500
Feet
½
KM
Prospect
6085
Willow
Prospect
6626
Prospects
24
5800
6166
Pony MT Scale: 1" = 0.189Mi, 305Mt, 1,000Ft, 1 Mi = 5,280", 1 cm = 120Mt


Prospects
Prospect
Creek
6509
8143
n. Cliff mine
Pony dump
Pony dump
Adits
Cliff Mine
Prospects
new road
Pony Mine
Strawberry
Prospects
Ridge
Adit
7000
7400
Prospects
Adits
Adit
8200
Boss Tweed Mine
15
rehab road
Prospects
Adits
Strawberry Mine
14
Prospect
6200
6600
Pony
Adit
Prospects
7200
no road work segment
MN 46 dump
Adit
Prospects
6400
8000
6385
7600
6800
one Wolf Mine
Prospects
8105
7440
established
Mexi-1 dump
new road
Spring
Prospect
6974
new road
Adit
Prospects
7800
Prospects
Prospect
7200
Pony; MT' Scale: 1" = 0.189Mi 305Mt 1,000Ft, 1 Mi = 5.280" , 1 cm = 120Mt